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TREASURY PLEASE PASS TO WORLD BANK USED

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TAGS: [SENV](#) [EAID](#) [EFIN](#) [ETRD](#) [PGOV](#) [CG](#)

SUBJECT: Greenpeace, Rainforest Foundation, Global
Witness Blast World Bank over DRC Forest Policy

¶1. (U) Summary: In an eight -page "open letter" to the World Bank, co-signed by Greenpeace Africa, Rainforest Foundation UK, Rainforest Foundation Norway and Global Witness, the four agencies raised wide-ranging questions to the World Bank regarding the forest policy reform program in the DRC. In the letter entitled "The World Bank and the Forest Sector in the Democratic Republic of Congo: a Cover Up?" the watchdog NGOs asserted that the Bank had not implemented several important elements following the conversion of industrial logging titles completed in early 2009, and that the new \$64 million Bank IDA Forest Sector project approved by the Bank's Board earlier this year has not supported good forest governance. It generally raises questions about lack of transparency, asserts a rise in social conflict between logging concessions and local communities, hints that the moratorium on logging concessions has not been respected by the GDRC and asks a rhetorical question as to whether the Bank investment in logging sector reform is money well spent. End Summary.

Can they do anything right?

¶2. (U) The eight-page letter is divided into four topical areas with numerous assertions and questions under each category, with each section describing what the NGOs view as a long series of Bank failures in designing and implementing forest sector reform in the DRC. It rehashes a long litany of the Bank's purported errors and misguided policies in the forestry sector, mainly citing a lengthy list of press releases and "studies." The letter invokes the 2007 independent Bank Inspection Panel Report which found that the Bank did not follow its own internal policies regarding "indigenous people's" and includes references to 45 different documents, previous press releases, studies and other documents on the subject.

The first of four general categories is a long discussion, with specific examples cited, that the required stoppage of all logging activities by the cancelled title holders is not being respected. Furthermore, that logs from the cancelled permits were marketed after the permitted period and that in some cases logging is still continuing in the cancelled holdings. The second point is that the forest governance systems planned under the new Bank grant such as an independent observer, a log tracking system, and a planned contract to a private firm to verify legal timber has not yet been put in place. (Comment: It is true that the DRC government has not made public its actions to seize assets and close down the concessions, but this is more a result of a lack of capacity and resources than an attempt to foster illegal activities. End comment.)

¶3. (U) The letter further asserts that the lack of these controls has created fears among local communities and conflicts between logging companies and communities over social contracts and rights of the communities over the forests. The letter then asks a number of pointed questions of the Bank about whether certain controls included in the Bank project document (PAD) have really been implemented and if not, what the Bank intends to do to ensure that

the project is carried out according to its design. The third point questions whether in fact there has really been a moratorium on the granting of new logging concession as required by Bank conditionality, citing "civil society" reports that artisanal logging and other types of exploitation are occurring without permits. The letter implies then, that artisanal logging de facto constitutes an expansion of logging activities in violation of the moratorium agreement. (Comment: The "civil society reports" cited are mainly from the newly established Greenpeace Congo office, with few if any reports from local or national NGOs as inferred. End Comment.

14. (U) The four signatory NGOs fundamentally question whether logging is a viable economic sector for the DRC, citing the minuscule amount of tax revenue projected for the year 2015 from logging taxes, which they assert is estimated at \$17 million against the tens of millions the Bank is granting to the DRC to manage the sector. (Comment: while the projected "area tax" revenue is indeed \$17 million, based on the greatly reduced post-title conversion logging concession area multiplied by the present "area tax" rate, the figure ignores all the additional tax revenue potentially generated by logging, which would certainly be a large multiple of the "area tax" amount. End Comment) The open letter also invokes the Bank Independent Inspection Panel Report from 2007 that found that the Bank did not follow its internal policies related to the protection of forest and "indigenous" peoples in the implementation of forest policy reform and suggests that it may be following the same course in the new project.

Forest Policy Reform a Prerequisite for REDD

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15. (U) The letter closes by scolding the Bank for squandering the policy reform process, and it makes a case that the Bank itself is not respecting its own norms, a situation similar to the case found in the Independent Inspection Panel investigation. It then darkly hints that if logging is allowed to continue, that the DRC may not be eligible to participate in the Global Climate Change REDD (Reduction of Deforestation and Degradation) payment schemes such as the Bank's own Forest Carbon Partnership Facility. It exhorts the Bank to do all within its power to preserve the large intact DRC humid tropical forest from logging and to promote instead the environmental services use of forest resources such as REDD.

16. (SBU) Comment: Greenpeace has long opposed industrial logging in the Central Africa tropical forests; the Rainforest Foundation UK raison d'etre is to advocate for indigenous peoples' rights, and the Rainforest Foundation Norway played a major role in the Government of Norway's decision to provide major financial support to promote the REDD concept for tropical forests. Global Witness has been active in the DRC forest sector, in part funded by the World Bank to act as an Independent Observer during the early period of the forest title conversions process. All of these groups have a long track record of criticizing the Bank and the GDRC for mismanaging the forest sector and putting "indigenous peoples" at risk.

17. (SBU) Comment continued: The Bank has had difficulty managing the reform process, but the criticism of the Bank by the NGOs seems to be more directed toward the GDRC. The letter's strong undercurrent against industrial logging seems designed to discourage commercial logging in lieu of REDD activities, which they assert will bring more social benefits and preserve tropical forests. While some of these points are valid, the NGOs ignore the well known fact that the principal drivers of deforestation in the Congo Basin, and particularly in the DRC, are millions of poor rural villagers eking out a living through slash and burn agriculture, harvest of trees to make firewood and charcoal for sale coupled with a lack of any real management capacity over artisanal activities by the government authorities. Deforestation mapping of the DRC confirms that industrial logging is not currently a significant source of deforestation in the DRC. Most donors active in the DRC support the

GDRC's efforts to reform the forestry sector as the country's second largest private formal sector employer after mining and do not see a necessary contradiction between logging and environmental services payment schemes such as REDD. End Comment.

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